WOMEN AND PENSIONS:
WOMEN IN POVERTY

Brief
Presented to
The Parliamentary Task Force
on Pension Reform

Canadian Advisory Council
on the Status of Women
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TABLE OF CONTENTS

1. INTRODUCTION

Jane, age 66, suddenly found herself widowed just as she and her husband were starting an activity-filled retirement — travelling, taking those courses they had promised themselves and doing more volunteer work in the community. As Jane assessed her financial position she was shocked to learn that her husband's pension did not provide survivor's benefits. Her future would be vastly different from the one they had envisaged together.

Caroline, age 80, had risen to get her mid-morning coffee when she found herself on the floor. Her hip bone had snapped. Recognizing she needed immediate medical attention and aware that she must have an ambulance take her to the hospital, she worried about the cost. If only she had taken out Blue Cross ambulance and hospital coverage instead of buying the coat she so desperately needed. Life seemed a continual balancing of one urgent need against another.

Betty, age 64, considered her options as she approached retirement age. The interruption to her career in the labour force had had devastating effects on her pension income. And yet, who else would have taken care of their elderly mother? Daily nursing care was out of the question and her brother's wages had to support his wife as well as himself. These extra responsibilities always seemed to fall on the woman. Three years without an income had eaten up her savings and had diminished both her private and her CPP pension. She counted herself lucky that her employer had rehired her after her mother's death. She would have no choice but to look for part-time employment after retirement.

Dorothy, age 55, looked to the future with a sense of panic. Divorced after 35 years of marriage, she lived from one month to the next in a state of anxiety, worrying about what she should do if her maintenance cheque did not arrive. Now that her ex-husband had remarried the uncertainty of receiving any income had increased. She wished she were ten years older. Then, at least, she would have the Old Age Security pension. She realized she would never have a pension in her own right. In a time of high unemployment the likelihood of her finding work at her age was remote. And what employer would want to pay out pension benefits which would be more costly because of her age?

The dilemmas faced by Jane, Caroline, Betty and Dorothy highlight serious concerns of elderly women in Canada. Why don't they have income to cover emergencies? Why don't they have their own pension or, if they do, why is it so inadequate? Many of them have lived with the expectation that their husbands would provide for them. Hasn't society said as much? How often have they been told not to worry "their pretty little heads" over financial matters that weren't "women's" business?

Poverty is a women's issue. It is particularly an issue for elderly women. To be old and female is the best combination to ensure being poor in Canada. The likelihood for elderly females to have low income is around 66 per cent. Women have the dubious distinction of being poor longer than men, since on the average, they live seven years longer.

If being old and female is likely to guarantee poverty, being old, female and widowed is an even better guarantee. More than 50 per cent of married women can expect to be widowed. Seventy per cent of widows and single women aged 75 and over live in poverty. When a woman is widowed she usually receives nothing at all from her husband's employer-sponsored pension plan and reduced benefits from the C/QPP. This is not the case for her husband who, in the event of his wife's death, normally continues to draw the same pension as before. The replacement income for widows on the death of a spouse is less than 30 per cent of the couple's previous income. And if a widow remarries whatever benefits she might have are almost always discontinued.

Three out of five women over 65, and four out of five over 75 are single, widowed or divorced. Four out of every ten Canadian marriages will end in divorce. Although the C/QPP provides for equal splitting on divorce of the spouses' pension credits earned while they lived together, unfortunately, since splitting was instituted (1978), only four per cent (1981) of those who divorce have applied for and received this credit. British Columbia and Manitoba are the only provinces where employer-sponsored pension plan credits are clearly recognized as family assets to be divided between the spouses upon divorce. Women divorced in other provinces cannot count on income from their husband's employer-sponsored pension plans.

The earnings-related pension system ensures a gap between the pensions of female and male pensioners. CACSW research shows that women's wages are less than 60 per cent of men's. In 1979 average male earnings were \$14,981; average female earnings were \$7,673. Paul and Erin Phillips in their study **Women and Work** (1982), found that the average wages of women as a percentage of those of men have not changed markedly since the beginning of the century — 53 per cent in 1911; 58 per cent in 1978.

In every income bracket over \$3,000, the average pension for men is higher than that for women. The difference results from a combination of women's lower pensionable earnings and women's work patterns in the labour force. Family responsibilities cause women's work records to show higher job turnover, less sustained job tenure and greater participation in part-time work. Only a third of female earners participate in employer-sponsored pension plans. Small businesses with less than 100 employees are the major employers of women and most of these do not have employer-sponsored pension plans. Nor do part-time workers, 72 per cent of whom are women.

Women who work in their homes for their families are not entitled to participate directly in work-related pension plans. The Canadian pension system assumes that married women are dependents of their husbands who will provide for them and that the work done in the home is not work of pensionable value because it does not earn dollars for the homemaker. It completely fails to recognize the equality of the wife's contribution to the marriage.

Whether a woman works in the labour force full-time or part-time, whether she drops out to raise a family and subsequently returns to the work force or whether she works as a homemaker, she can expect for the most part to be poor in her senior years. Pension reform in Canada is an absolute necessity if this injustice is to be remedied.

2. THE CANADIAN ADVISORY COUNCIL ON THE STATUS OF WOMEN AND PENSION REFORM

Since its inception May 30, 1973, the CACSW has been concerned about the economic status of all Canadian women. It has had a particular concern about the

financial situation of elderly women. Indeed as early as July 1973 the CACSW recommended that "priority consideration be given to providing the women who remain in the home with coverage under the CPP". Since that time the Council has made a series of recommendations based on research it has commissioned. This research has included assessments of the Canadian Pension Plan (S. June Menzies, January 1974), the Canadian retirement income system (Hart D. Clark, October 1980), women and aging (Louise Dulude, April 1978), women and pension reform (Louise Dulude, March 1981), the Canadian housewife (Monique Proulx, June 1978), federal government employment strategies (Patricia Dale, June 1980), women reutrning to the work force (Mary Pearson, April 1979), the plight of immigrant women (Sheila Arnopoulos, January 1979), women and part-time work (Julie White, May 1983). In December 1981 the CACSW released a discussion paper on pension reform followed by a fact sheet summarizing the shocking realities of the Canadian pension system for women.

The Council provides a Clearinghouse on Pensions and circulates a newsletter of information about pension reform. The Pension Committee of the CACSW has examined the research of the Council and recent reports of other bodies interested in pension reform and, of course, the Green Paper **Better Pensions for Canadians**. The Committee formulated recommendations for pension reform based on two fundamental principles:

1) All persons regardless of sex or marital status are equal.
2) All senior citizens have a right to live with dignity.

The CACSW adopted the recommendations subsequently set forth in this brief to the Parliamentary Task Force on Pension Reform.

3. REFORM OF THE CANADA/QUEBEC PENSION PLAN

Both the Green Paper **Better Pensions for Canadians** and the CACSW Discussion Paper **Pension Reform for Women** point out the inadequacy of the present pension system. Both outline similar principles and goals for reform. The goals state that all Canadian senior citizens are entitled to minimum guaranteed incomes, that the pension system should enable Canadians to avoid serious disruption to their living standards when they retire and that opportunities for Canadians to provide for their

retirement should be fair. The CACSW has particular interest in the last goal which has implications for the discrimination towards women inherent in the existing system. The Council believes that both the Canada/Quebec Pension Plan and employer-sponsored pension plans discriminate against Canadian women and that changes must be made to eliminate existing inequities.

3.1 Inclusion of Homemakers

In March 1983 the CACSW reaffirmed its recommendation of March 1982 regarding the inclusion of homemakers in the C/QPP as contributors in their own right:

> **In recognition of the social injustice resulting from society ignoring the value of the work performed by homemakers, and to promote the economic independence of the individual, the CACSW urges the immediate inclusion of homemakers in the C/QPP at a level no less than one-half the average industrial wage.**

Women who work in the labour force are treated poorly by the pension system in Canada; women who work in the home are virtually ignored. The Green Paper **Better Pensions for Canadians** proposes to alleviate the lack of pension coverage of homemakers by splitting the pension credits of the wage-earner between the marriage partners. Credit-splitting addresses the recognition of the equality of partners in a marriage. It does not address the economic value of the work performed in the home.

Participation of homemakers in the C/QPP was recommended by the Royal Commission on the Status of Women (September 1970) and by the Canada Pension Plan Advisory Committee (November 1974). CACSW research has pointed to the discrimination towards homemakers in the pension system and recommendations of the Council from 1973 until today have pressed for participation of homemakers in the C/QPP in their own right.

The C/QPP was based on a triple fiction — that of the 'traditional family', the 'dependent woman', and the perception that only the paid worker supports the economy. The realities are that the 'traditional family' does not exist as a norm; that women are persons in their own right; and that homemakers are producers of goods and

services. It has been estimated that if housework were included in the GNP, the increase would be approximately 33 per cent. The C/QPP recognizes the legitimacy of homemaking as a pensionable occupation when it **requires** a paid housekeeper to participate in the C/QPP. Is it not curious that the same work is not recognized if the housekeeper marries her employer? If she does so, she will no longer be **allowed** to participate in the plan. Presumably the housekeeper no longer earns dollars because she is married, and it is the earning of dollars in our society that gives value and status to work.

The argument the Green Paper presents against homemaker participation is inconsistent with its proposals regarding survivor benefits and the child-care drop-out provision. The Green Paper states that homemakers ought not to participate in the C/QPP as contributors in their own right because this would result in inequities for women in the labour force who are presumed to do the same amount and kind of work as homemakers in addition to their labour force participation. The Green Paper fails to recognize that the child-care drop-out provision discriminates against those women who have children and remain in the labour force and that the provision for survivor benefits discriminates against single, widowed and divorced persons. The CACSW accepts the necessity of both provisions until **all** women have adequate pension security. Similarly the CACSW recognizes that increased concessions for childcare in the tax system address the needs of women in the labour force with children, although women who provide care for children in their homes do not receive this benefit.

The perception that women in the labour force perform identical work to homemakers plus their job in the workplace is disputed by numerous time-budget studies. Married women in the labour force do work considerably more hours in the home than married men do. However, common sense would dictate that someone who works full-time in the home could not continue to perform this work as well as working full-time in the labour force.

The further argument the Green Paper uses to deny homemakers participation in the C/QPP in their own right is that their work — "of economic value" — does not end upon the retirement of the contributing spouse. In other words, their work, although of economic value, is not pensionable because they continue to do it. It is difficult to follow this line of reasoning particularly as the C/QPP pays

benefits after age 65 to many earners who continue to be employed. Furthermore, the income a married woman receives is reduced at the retirement of her earning spouse.

If a goal of pension reform is that opportunities for Canadians to provide for their own retirement should be fair, then homemakers, as Canadians, should have access to fair treatment.

3.2 Drop-out Provisions

The CACSW reiterates its demand:

that the child-care drop-out provision in the C/QPP be implemented immediately and further recommends that such provision be expanded to cover periods spent caring for disabled relatives.

3.2.1 The CACSW was pleased to learn that the child-care drop-out provision which it proposed in May 1976 has been accepted by the Government of Ontario.

3.2.2 The CACSW believes that just as women were discriminated against in the pension system because of their childbearing and childrearing responsibilities, so too are they discriminated against in situations in which elderly/disabled relatives require care. More often it is women who drop out of the labour force to provide this care. Because this usually occurs at a time of their highest earnings, the effect is one of serious reduction of future pension benefits. The CACSW recommends that these characteristics of female lifestyles be addressed as pension reforms are made.

3.3 Expansion of the C/QPP

The CACSW recommends:

that the C/QPP be expanded over the next ten years to give benefits equal to 50 per cent of earnings up to the average industrial wage.

Most workers on retirement can expect a combined replacement income rate of less than 40 per cent from the Canada Pension Plan and from the Old Age

Security pension. For most homemakers, the rate which they will receive as OAS pension is less than 15 per cent. Less than 40 per cent of women in the labour force participate in employer-sponsored pension plans. Over the past ten years there has been only a small increase in the proportion of workers covered by pension plans. As has been pointed out, large numbers of women either work for small firms which do not provide private pension plans or work part-time and are not eligible for private plan coverage.

The C/QPP has advantages for women because it offers immediate and secure rights to a future pension, transferability of pension credits from one job to another, coverage of all labour force participants, survivor's benefits and protection against increases to the cost of living. Changes to the C/QPP would require comparatively little time to implement whereas the introduction of mandatory private pensions would need 30 to 40 years before full pensions could be paid.

The CACSW believes that an increase in the benefits to 50 per cent of the average industrial wage is essential if the majority of women in the workforce are to have anything approaching an adequate replacement income at retirement. The Council further believes that a phasing-in period of ten years is a reasonable length of time for the change to take effect.

3.4 Spousal Equality

The CACSW recommends:

1) **that the equal splitting of C/QPP credits between spouses on divorce or after a three-year separation be mandatory, automatic and not subject to renunciation.**

2) **that in on-going marriages the equal splitting of C/QPP credits be mandatory and automatic between spouses when the younger spouse reaches the age of 65.**

3.4.1 The C/QPP provides for the equal splitting on divorce or annulment of spouses' pension credits earned during the course of their marriage. The splitting is not automatic. The spouses must have lived together for at least 36 consecutive months during the time they were married and the application must be submitted

within three years of the date of divorce or annulment. The documentation required by C/QPP regulations can pose problems for women who do not have access to their husbands' birth certificates and/or social insurance numbers.

The CACSW believes that the C/QPP should recognize the equal contribution of the marriage partners to the accumulation of pension assets by eliminating all obstacles to the equal division of those assets on marital breakdown. It further believes that pension assets should remain pension assets and not provide a bargaining tool for a lump sum exchange. The financial position of poor elderly women cannot be remedied by trade-offs which leave men with the pensions and women with a lump sum payment in lieu of pension credits. Immediate financial needs must be met in other ways that do not penalize women's long-term interests.

3.4.2 In on-going marriages credit splitting of pension assets accumulated by both marriage partners when the younger spouse reaches age 65 was proposed in CACSW research (March 1981). The CACSW discussion paper **Pension Reform for Women** reiterates this proposal. Credit-splitting prior to this time would cause serious hardship to one-earner families: the earner's disability coverage would be drastically reduced and where the earner is the older spouse, the couples would have to live on a seriously diminished pension until the younger spouse reaches the age of 65. Splitting of pension credits between spouses recognizes the equal status of marriage partners and has the advantage that it can be done immediately. The CACSW pointed this out in February 1975, adding that splitting was a realistic first step towards addressing the inadequacy for women of the present pension system, but by no means a final solution.

3.5 Survivor Benefits

The CACSW recommends:

1) **that the pre-retirement survivor benefits proposal in the Green Paper be reviewed because the suggested "continuing benefit" is less than the current benefit and the "bridging benefit" is inadequate.**

2) **that it be mandatory to continue survivor's benefits after remarriage.**

3.5.1 Current survivor benefits under the C/QPP are based on a widow/er's age. Those under the age of 35 who are childless do not qualify. Those who are disabled or have dependent children are paid a flat rate ($78.60, May 1983) plus 37.5 per cent of the contributor's actual or imputed retirement pension. If they are between 35 and 45 and are childless and able-bodied, widow/ers will receive a pro-rated reduction in the above benefits. After the age of 45 — when presumably women reach full dependency — until age 64, full survivor benefits are paid at the above rate.

The Green Paper proposes to replace the current structure with a two-tiered system. This would consist of a "bridging benefit" equal to the basic Old Age Security pension ($254.13, May 1983) payable for three years after the contributor's death (or until age 65, whichever is shorter) or with the same amount of benefit spread over ten years (or until age 65, whichever comes first) and a lifetime "continuing benefit" of 60 per cent of the deceased's (split) pension accrued to date. Survivors with children would be entitled to receive the bridging benefit until the youngest child reached age seven.

The bridging benefit is too low to allow widows with young children to remain in the home. The continuing benefit is completely inadequate for unemployable widows between the ages of 50 and 65 who do not receive the Old Age Security pension.

3.5.2 In a marriage partnership both spouses contribute to a pension plan since they both sacrifice current expenditures for future security. Thus pension rights belong to both partners — a fact recognized in the family law legislation of British Columbia and of Manitoba. The authors of both the Lazar and the Economic Council reports share the opinion that pension rights are jointly owned family assets.

Such thinking is a change from the traditional view of marriage in which the wife is a dependent rather than a partner and is "protected" by the husband. In this view, if she remarries she will no longer need the "protection" of the survivor benefits of her first husband's pension because she now has another husband to "protect" her. Survivor benefits were considered a kind of gift from the husband rather than something a wife earned in her own right.

There is no more justification for discontinuing survivor benefits after remarriage than there would be for seizing assets such as a bank account or car. Continuing survivor benefits after remarriage will recognize that a married woman is an independent person who has earned pension benefits through her own contribution and sacrifice.

4. REFORM OF EMPLOYER-SPONSORED PENSION PLANS

The CACSW recognizes that the reform of private pensions properly falls under provincial jurisdiction. However, the dialogue on pension reform was instigated by the federal government and the Green Paper **Better Pensions for Canadians** makes reference to areas of potential improvement in the private sector. Indeed, public pension reform cannot be examined in isolation. Action in one sector affects the other.

The CACSW has addressed changes to employer-sponsored pension plans because the Council is concerned about reform, or a lack of it, to pensions in the private sector. At hearings held by the Pension Commission of Manitoba (March 28-31 in Winnipeg) to hear response to proposals for reform, insurance underwriters, actuaries, management consultants, chartered accountants and employers all expressed concern about the cost to business of reform. Many requested that no reform be implemented until there was agreement to uniform change across the country. Very few exhibited concern for, or even awareness of the plight of women in the current pension system.

4.1 Portability, Vesting, Locking-in

The CACSW recommends:

1) **that all private pension plans provide for the portability of all employee pension credits.**

2) **that employees become fully vested after two years of service with an employer.**

3) **that employee and employer contributions be locked-in after plans are vested.**

Pension plans have been designed by men to suit male lifestyles and work patterns. Women's lifestyles and work patterns differ significantly from those of men. They are more mobile in the workplace and often drop out of the labour force to bear and care for children. Portability and early vesting address these characteristics of female work patterns. Locking-in of contributions will aid the female worker in accumulating pension credits to offset the poverty she can anticipate, as a woman, in her senior years.

4.2 Coverage

The CACSW recommends:

1) **that full-time and part-time employees with one year of service be required to participate in an employer-sponsored pension plan.**

2) **that all employers be required to provide a pension plan for employees.**

4.2.1 The highest labour force participation of women in Canada occurs between the ages of 20 and 24. In 1980, 73 per cent of women in the labour force were in this age category. The highest labour force participation rate for men — 96 per cent — was between the ages of 35 and 44. Delayed entrance into pension plans works to the disadvantage of women. If, as the Green Paper states, a goal of pension reform is to guarantee a reasonable minimum income, then coverage as soon as possible after becoming employed is essential for women.

4.2.2 Seventy-two per cent of all part-time workers are women. Our research has indicated that the women who work part-time in the labour force differ very little from those who work full-time. This is not the case for male workers. For women, child bearing, child rearing and housework are largely responsible for part-time labour force participation, high job turnover and shorter job tenure.

There seems to be no question that part-time work is here to stay. Indeed, as the research points out, part-time work is a growing phenomenon. The time has come for employers and the pension industry to address the retirement needs of this significant portion of the labour force.

4.2.3 The CACSW believes that an initial step toward pension reform is a requirement for all employers to provide a pension plan for their employees and a concomitant requirement for all employees to participate in an employer-sponsored pension plan.

4.3 Removal of Sex Discrimination in Pension Benefits

The CACSW recommends:

that unisex mortality tables be used to calculate pensions and pension options.

Women workers who belong to money type pension plans or who will use their Registered Retirement Savings Plans to buy this form of pension are discriminated against on the basis that women, on average, live longer than men. Women are charged more for the same pension benefits or are given lower pensions for the same amount.

At first glance such practice might seem reasonable. An average woman of 65 can expect to live until age 83 while an average man of 65 will die at age 79. However, 80 per cent of female and male pensioners of the same age have the exact same year of death. The four-year gap in life expectancies is a result of the 10 per cent of elderly men who die relatively early and the 10 per cent of elderly women who live relatively long. To charge all women more for pensions amounts to penalizing the majority of them unfairly for the higher annuity costs of a very small percentage of their group.

Employers of workers with money purchase type pension plans who are under federal jurisdiction are prohibited from discriminating against women by the Canadian Human Rights Act. The Supreme Court of the United States has ruled that it is discriminating and hence unacceptable for women to receive lower pension benefits than men because such practice attributes to an individual woman the characteristic of longevity which is only true of women as a group.

Discrimination on the basis of sex falls into the same category as discrimination on the basis of race. An individual has no control over her/his race or

sex. It is interesting to note that socio-economic status or lifestyles, over which an employee might have some control, are not considered reasons to set different tables. Nor is marital status, although being married obviously adds to costs through the provision of survivors' benefits.

4.4 Equal Treatment of Spouses

The CACSW recommends:

1) **that all employer-sponsored pension plans provide "joint and last survivor" benefits unless both spouses agree in writing to adopt some other form of payment.**

2) **that it be mandatory to continue survivor's benefits after a remarriage.**

3) **that the equal splitting of employer-sponsored pension plan credits between spouses on divorce or after three year's separation be mandatory, automatic and used to provide pension income only.**

4.4.1 When a woman dies, her husband normally continues to draw the same pension as before. When a man dies, his widow usually receives nothing in the form of a pension from the husband's employer-sponsored pension plan. This may be because this is stipulated in the pension contract, or because the husband chooses not to reduce the pension to provide for his widow. In 1980, only 45 per cent of participants were in contributory plans that gave pensions to surviving spouses. Of this group, almost three out of four plan members worked in the public sector.

4.4.2 **See Section 3.5.2**

4.4.3 The rationale in Section 3.5.2 applies as well to marital breakdown. Pension assets are assets that spouses have worked together to acquire and when a marriage dissolves those assets should be divided equally between the marriage partners. Because of the failure of the system of voluntary application under the CPP, the CACSW believes that the division of pension credits must be automatic and mandatory. Because women have very little pension security the CACSW believes that the division must be one of pension income and not an amount in kind.

4.5 Registered Pension Account

The CACSW endorses:

the concept of a registered pension account.

The CACSW recommends:
that a spousal option be an integral part of any registered pension account system.

Registered Pension Accounts would help alleviate some of the difficulties women experience with the pension system. Allowing employers to contribute directly to an employee's R.P.A. would make it easier for small businesses to provide pension benefits for employees. Firms with less than 100 employees are the major employers of women and most of them do not have employer-sponsored pension plans. In addition to addressing the lack of pension coverage for large numbers of women in the labour force, R.P.A.'s would enable women to have portable pensions. Given the mobility of women's lifestyles with regard to employment in the workplace, genuinely portable pensions are a necessity. R.P.A.'s will serve as tax deductions for those women in the labour force who have sufficient income to make contributions to such a savings vehicle. The spousal option will help women build up their own retirement income.

4.6 Disclosure

The CACSW recommends:

that pension plan sponsores be required to provide an annual statement to all participants and to all spouses where applicable, showing:

a) the financial status of the plan,
b) the employee's accrued benefits.

Many members of pension plans have little knowledge of the plan, its financial status, their options or their accrued benefits. Widows as a group are hopelessly ignorant about their husbands' financial affairs. Since, as has been pointed out, wives contribute to the pension through shared economic sacrifice, they have a right to know what they would receive were their husbands to die.

The cost factor for implementing this recommendation would be low since most major plans already provide individual statements and employers can prepare individual statements from group listings provided by plan administrators. Thus, it is difficult to imagine that there would be serious opposition to improved communication between plan sponsors and their members.

4.7 Protection from Inflation

The CACSW recommends:

that pension legislation be amended to protect the credits/benefits of all employees and all pensioners from inflation through the reinvestment of the interest earned by the pension fund.

The inflationary climate of the past few years has produced increased investment returns which have not always been turned back into pension plans but have been used by employers to reduce their own contributions. The CACSW believes that such practice should be disallowed and that interest earnings should be used to maximize benefits for all plan participants.

5. SPECIAL GROUPS OF WOMEN

The CACSW recommends:

1) **that the Parliamentary Task Force on Pension Reform examine the particular economic plight of farm women with regard to pensions.**

2) **that the federal government guarantee the equivalent of a full OAS/GIS pension to all low-income senior citizens who have resided in Canada for ten years or more, in order to redress the injustice inherent in the July 1977 rules requiring forty years of residency in Canada to qualify for a full OAS/GIS pension.**

5.1 Under changes to the Income Tax Act in 1981, farmers and unincorporated businessmen were allowed to pay their wives a salary and deduct it as an income tax expense. In addition to providing a tax deduction, remuneration of the wife made it possible for her to contribute to the C/QPP like other salaried workers to establish a

pension base. In theory this is a step forward for the approximately 335,000 farm women in Canada. In practice the majority of farm women do not collect salaries or contribute to the C/QPP.

5.2 Since July 1977, immigrants are required to have lived in Canada for 40 years (instead of the previous 10) to qualify for a full Old Age Security pension at age 65. Immigrant women are particularly affected by this change because they are almost never eligible for a pension from their countries of origin. They cannot qualify for a Guaranteed Income Supplement unless they qualify for a full Old Age Security pension. The result of the change in 1977 will be a sub-class of senior citizens, mostly female, who will live in an aggravated condition of poverty.

6. GUARANTEED INCOME SUPPLEMENT

The CACSW reaffirms its 1978 recommendation:
that the federal government increase the guaranteed income supplement as soon as possible to ensure adequate income to all Canadian senior citizens.

The CACSW endorses the government's statement that this is a priority but deplores the government's procrastination in its implementation.

The promise of the Green Paper to increase benefits for single elderly persons living with insufficient income "as soon as resources permit" has a hollow ring for those women for whom living with daily poverty is a grim reality.

7. CONCLUSION

It is likely that the Parliamentary Task Force on Pension Reform will be receiving large numbers of presentations from the pension industry, from actuaries and from business interests. The CACSW is concerned that the interests of women — who form over 50 per cent of the population — will not be represented proportionately. Women and women's groups lack the resources to research issues to make and present briefs. The Council urges the Task Force to take this into account as they balance the needs of women against the concerns of the business community.

Women have long awaited the time when Canadian society would recognize their status as equal to that of men. Elderly women have awaited the time when they could live in dignity rather than as the recipients of welfare. The time for delay in pension reform has long since passed. A perpetuation of the status quo is unacceptable.

SOME LOOK AT THE WAY THINGS ARE AND ARE SATISFIED. OTHERS LOOK AT THE WAY THINGS ARE AND ASK WHY. WE LOOK AT THE WAY THEY MIGHT BE AND ASK WHY NOT.

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